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COUNTERINTELLIGENCE

1. The Problem

- To structure the US Government's responsibility for dealing effectively and legally with foreign counterintelligence (FCI) activities directed against the US.

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- E.O. 11905 established some restrictions affecting CI activity but did not meet the principal CI deficiencies.
- The long-standing CI mission of DoD is omitted (from E.O. 11905).
- CIA and FBI resources are in the National Foreign Intelligence Program; DoD's are not.

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- Structuring of legal aspects must insure continuing protection of the constitutional and statutory rights of US persons while concomitantly enabling an effective FCI effort.

- Existing Attorney General guidelines may require some statutory buttressing to clarify the authority of various US Government FCI programs.

- New legislation may also be required to minimize leakage through provisions of the Freedom of Information and Privacy Acts used to ferret out such information.

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2. The Threat

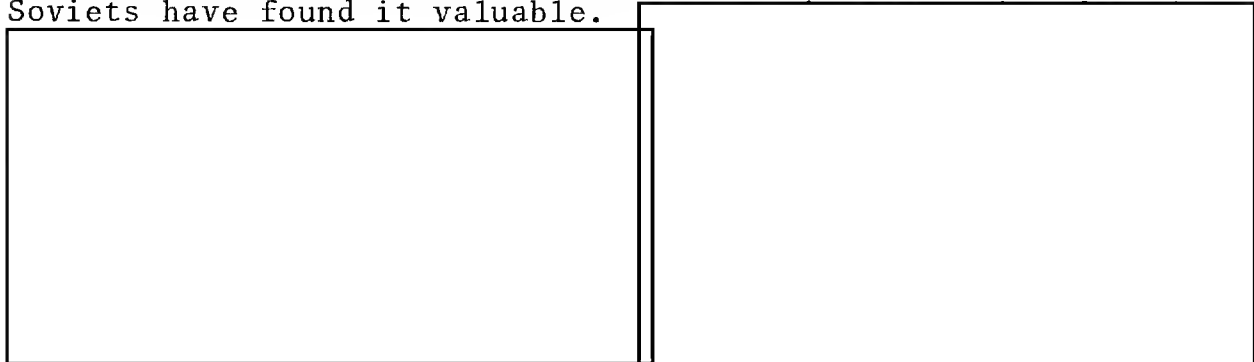
The hostile intelligence threat to the US is often thought of in terms of the Soviet overhead imagery collection program and the variety of Soviet SIGINT collection programs. But the Soviet human resources collection program is both complementary to the other two Soviet collection programs and a formidable threat in its own right.

Soviet overt human resources collection takes in the rich information lodes of an open society like a vacuum cleaner. Soviet clandestine human resources collection is a sharply focused effort concentrating on information not otherwise obtainable, i.e., strategic plans and intentions intelligence on the US, R&D on new advanced US weapons systems, penetration and negation of US intelligence and security services.

Continued Soviet expenditure of sizeable resources on the Soviet human resources collection effort indicates the Soviets have found it valuable.

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a. Size of Soviet Human Resource Intelligence Threat

Over the past 15 years the accessibility of the US to Soviet and Soviet surrogate human resources collectors has increased without a corresponding usable increase in the accessibility of the USSR to human resources collection by the US and its allies.

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or GRU has changed dramatically in the past 15 years. Soviet official representation in the US has increased significantly, however, since the early 1960s (from a total of 333 in September 1961 [redacted] 25X1C

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[redacted] to a total of 1,182 in February 1977 [redacted] 25X1C

[redacted]. There has been a comparable increase in the official representation of the Warsaw Pact countries, which, together with Mongolia, had 270 officials in the US in January 1961, and 647 as of February 1, 1977.

These figures represent only a portion of the Soviet and surrogate human resource collection potential, since the US is increasingly accessible to a variety of other collectors, including East-West exchange visitors (10,337 in 1976), tourists (1,747 Soviets in 1976), commercial visitors, and crew members (40,234 in 1976) on Soviet ships.

Detente spurred the 1972 opening to Soviet shipping of 40 US deep water ports. By 1976, Soviet merchant vessels had access to 56 US ports. [redacted] 25X1C

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[redacted] In 1976, 117 merchant vessels of Soviet surrogate nations made port calls to the US.

Since 1971, approximately 14,000 Soviet nationals have immigrated to the US, with a corresponding influx from the Soviet surrogate countries -- of the 14,000 Soviet immigrants, [redacted] 25X1C

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The history of the East-West Exchange Program before and after detente is illustrative of trends with respect to the relative accessibility of the US to Soviet human resources intelligence collectors. For more than 15 years, exchanges were carefully negotiated, reciprocal, controlled and limited in scope. Soviet visitors were limited in number and carefully restricted while in the US.

The 1972 Summit Meeting, however, resulted in explosive expansion of the scope of the East-West Exchange Program. Simultaneously, centralized Department of State

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management of exchanges with the USSR was eliminated, and control over them was dispersed among eleven US Executive Branch agencies, which now handle Soviet exchange relationships under eleven Specialized Cooperative Bilateral Agreements. The number of Soviet exchange, commercial, tourist, and official visitors in the US expanded, totalling over 25,000 in CY 1976.

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b. Soviet Human Resource Collection Strategies Against the US

(1) Overt

The Soviets have consistently engaged in a large-scale vacuum cleaner-like overt human resource collection effort in the US. This overt program makes extensive use of publicly available documentary purchasing; a major and increasing flow of scientific, technical and other exchange visitors to the US; commercial visitors to the US; and the sizeable overseas establishments of such Soviet organs as the Foreign and Trade Ministries, TASS, Novosti, and representatives of the Institute of World Economics and International Relations and the Institute of the USA and Canada. The overt effort is competitive, relatively uncoordinated and likely to so continue. Soviet problems with overt material lie primarily in its effective collation and analysis -- not in its collection.

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3. Coordination and National Policy

a. General

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b. Intelligence Community Staff Action

• In response to the above situation, the Intelligence Community Staff (ICS) in support of the DCI drafted in 1976 a proposal to establish an NSC-level National Foreign Counterintelligence Policy Committee (NFCPC) with a subordinate working body, a National Foreign Counterintelligence Board (NFCB). The NFCPC in effect would be a Policy Review Committee (CI Policy).

--The AG was proposed as chairman because as the nation's chief legal officer:

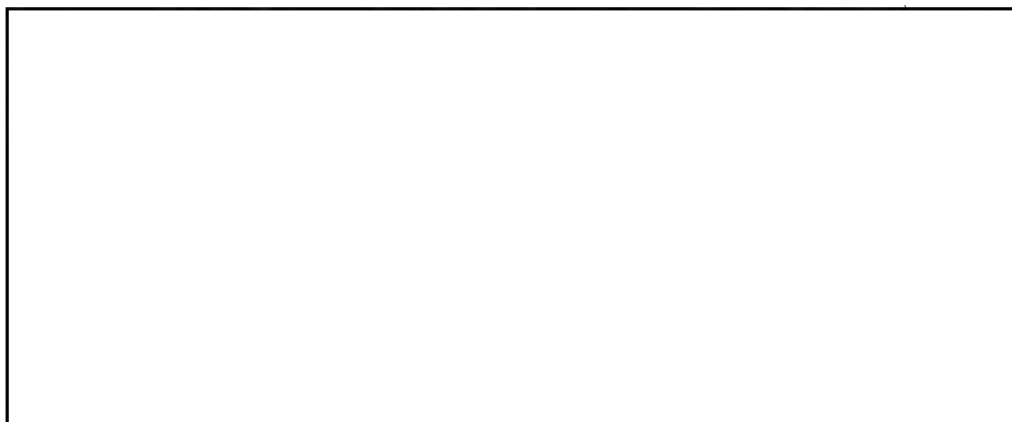
-He can best bridge the gap between the FBI and other CI agencies; and

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He can best assure that individuals' rights are protected.

- CI as defined in the proposal does not include protective security functions or criminal investigations. It does include foreign CI collection, investigations for operational leads, operations and production.
- Membership of the proposed NFCPC (PRC (CI Policy)) would consist of the Attorney General, DCI, Deputy Secretary of Defense, Undersecretary of State for Political Affairs, Deputy Assistant to the President for National Security Affairs and Director, FBI.
- Membership of the proposed subordinate NFCB would consist of representatives of the above plus the CI Chiefs of the Military Services (possibly as observers).
- Responsibility for the proposed NFCPC (PRC CI Policy)) would include national-level foreign CI (FCI) policy guidance and resolution of issues not resolved by the subordinate NFCB.
- Responsibility for the proposed NFCB would include overseeing the implementation of national FCI policies, establishing priorities and objectives of differing FCI activities, reviewing and reestablishing guidelines for central FCI records holdings, assuring timely and useful FCI production, and periodically evaluating FCI programs and activities.
- The proposal was circulated to DoD, State, CIA and the FBI. All were supportive in principle. Principal reactions of Community recipients to the proposal were:

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- Redefined the E.O. 11905 definition of CI (retained in the proposal) to focus it more narrowly on FCI.

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- Drafting done to date provides a basis for a long-term solution and can be used by the ad hoc FCI working group which the Attorney General and the DCI agreed on 27 April to establish under the chairmanship of a representative of the Attorney General.

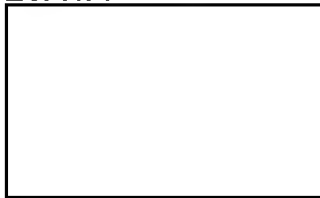
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NOTES:

*Submitted to
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Remarks: Cy of PRM-11 Part III paper provided to NSC Staff on CI.

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